

Buyer or other Transferee: Name, address, state, and ZIP Code															PMB no. <div></div>					Are there other buyers? <input type="checkbox"/> Yes <input type="checkbox"/> No					Buyer's social security number (SSN) <div></div>									
Seller or Transferor: Name, address, state, and ZIP Code															PMB no. <div></div>					Ownership percentage <div></div>					Buyer's <input type="checkbox"/> California corporation no. <input type="checkbox"/> FEIN <div></div>									
																									Seller's SSN <div></div>									
																									Seller's spouse's SSN (if jointly owned) <div></div>									
																									Seller's <input type="checkbox"/> California corporation no. <input type="checkbox"/> FEIN <div></div>									
Escrow company: Name, address, state, and ZIP Code															PMB no. <div></div>					Escrow company tax ID number <div></div>														
																				Escrow company telephone number (     )														
Address (or parcel number and county) of the California real property transferred															Amount Withheld <div></div>																			
															Check One: <input type="checkbox"/> 3 1/3% <input type="checkbox"/> Reduced <input type="checkbox"/> 7% of boot																			
Confirmation number <div></div>															(Provide the confirmation number if a Real Estate Withholding Determination letter was received.) <div></div>																			
Escrow number <div></div>															Date of transfer (Close of escrow) <div></div>					Sales price of the California real property transferred <div></div>														
Under penalties of perjury, I declare that I have examined this statement and accompanying attachments and to the best of my knowledge and belief, it is true, correct, and complete.																																		
Signature of preparer										Title					Preparer's SSN/FEIN/PTIN					Preparer's telephone number (     )														

**Copy A** to be filed with the Franchise Tax Board

**For Privacy Act Notice get form FTB 1131 (individuals only)**

## General Information

**Private Mailbox (PMB) Number**

If you lease a mailbox from a private business rather than from the United States Postal Service, enter your PMB number in the special field labeled "PMB no."

**Preparer Tax Identification Number (PTIN)**

Tax preparers now have the option of using a unique identification number (PTIN) instead of a social security number when signing tax returns.

## A Purpose

California Revenue and Taxation Code (R&TC)  
Section 18662(e)(1) requires the buyer (transferee) to withhold 3 1/3% of the sales price on the disposition of California real estate when the funds are to be disbursed either to a seller (transferor) with a last known address outside of California at the time of the transfer of the real estate, or to the financial intermediary of the seller.

In the case of an exchange as defined under Internal Revenue Code (IRC) Section 1031, the intermediary is required to withhold 7% of the cash or cash equivalent (boot) received by the transferor(s) or their beneficiary(ies) if such boot exceeds \$1,500. However, the amount withheld is not to exceed 3 1/3% of the sales price.

Sellers must attach Copy B to their income tax return to claim a credit for withholding.

## B Who Must File

A buyer or other transferee of California real estate that is required to withhold tax must file Copy A of Form 597 to report and remit the amount withholding. If two or more persons are joint transferees, each is jointly and severally obligated to ensure that the total required amount of withholding is remitted to the Franchise Tax Board (FTB). However, the obligation of each will be met if one of the joint transferees withholds and transmits to the FTB the required amount.

Enter the information for only one buyer on Form 597 and check the box that indicates if there are other buyers.

## C When and Where to File

The buyer or other transferee is required to file Copy A of Form 597 and pay the amount of tax withheld within 20 days

following the end of the month in which the transaction occurred.

The seller should use Form 597-W, Withholding Exemption Certificate and Nonresident Waiver Request for Real Estate Sales to determine if an exemption from withholding is allowed or to request the FTB to reduce or eliminate withholding.

If the request to eliminate or reduce withholding has not been made, or the response from the FTB has not been received by the time title is transferred, the parties may direct the escrow person to hold funds for withholding in trust for 45 days. At the end of 45 days, the escrow person shall remit the statutory withholding amount or the authorized reduced withholding amount to the FTB.

The buyer or other transferee must file Copy A of Form 597 and withhold tax within the specified period regardless of whether or not the seller or transferor has a social security number (SSN), California corporation number, or federal employer identification number (FEIN).

If there are multiple sellers or transferors, some of whom are nonresidents of California, withholding of 3 1/3% is required on the **total** sales price and is to be allocated among the nonresident sellers unless a waiver or reduced withholding amount is granted by the FTB. **A separate Form 597 must be filed for each person who has had an amount withheld.** You may include both spouses on the same Form 597 if they owned the property jointly.

Mail **Copy A** of Form 597 with payment to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0001

Distribute the other copies of Form 597 as follows:

- **Copy B** – Send to sellers. Sellers must attach this copy to their California tax return to claim credit for withholding.
- **Copy C** – Send to sellers for their records.
- **Copy D** – Retained by withholding agent.

## D Interest and Penalties

The law provides for the assessment of interest on late payments of withholding. Interest is computed from the due date to the date paid.

Failure to file Form 597 and pay the withholding within the time prescribed may make the withholding agent liable for penalties.

Failure to withhold after notification may result in penalties for the transferee of \$500 or 10% of the required withholding, whichever is greater.

Failure to notify the transferee to withhold may result in penalties for the real estate escrow person of \$500 or 10% of the required withholding, whichever is greater.

## E Additional Information

For more information on real estate withholding, get FTB Pub. 1016, Nonresident Withholding Real Estate Guidelines. To get a withholding form or publication or to speak to a representative, contact the FTB Nonresident Withholding Section's automated telephone service at (888) 792-4900 (toll-free within the U.S.) or (916) 845-4900 (not toll-free).

For information on requirements to file a California tax return or to obtain forms call:

From within the United States ..... (800) 852-5711

From outside the United States . . . . . (916) 845-6500

If you have Internet access, you may download, view and print California tax forms from the FTB website at:

**www.ftb.ca.gov**

### Assistance for persons with disabilities

The FTB complies with provisions of the Americans with Disabilities Act. Persons with hearing or speech impairments, call:

From voice phone: ..... (800) 735-2922  
(California Relay Service)

From TTY/TDD: ..... (800) 822-6268  
(direct line to FTB customer service)

For all other assistance or special accommodations, call  
(800) 852-5711.

**Asistencia bilingüe en español**

**Asistencia bilingüe en español:**  
Para obtener servicios en español y asistencia para completar su declaración de impuestos/formularios, llame al número de teléfono (anotado arriba) que le corresponde.

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OR Write: NONRESIDENT WITHHOLDING SECTION  
FRANCHISE TAX BOARD  
PO BOX 651  
SACRAMENTO CA 95812-0651

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